

Docket No.: A.18-07-011 and A.18-07-012  
Exhibit No.: \_\_\_\_\_  
Hearing Date: \_\_\_\_\_  
Witness: Thomas C. Keys  
ALJ: Karl Bemederfer  
Commissioner: Clifford Rechtschaffen

**SUPPLEMENTAL TESTIMONY OF THOMAS C. KEYS**

**ON BEHALF OF JOINT APPLICANTS**

**NOVEMBER 7, 2019**

**—PUBLIC VERSION—**

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1 **I. WITNESS IDENTIFICATION**

2  
3 **Q: Please state your name and position.**

4 **A.** My name is Thomas C. Keys. I am the Executive Vice President and Strategic  
5 Advisor for T-Mobile USA and was formerly the President of MetroPCS  
6 Communications Inc. (Metro by T-Mobile, f/k/a MetroPCS), a wholly-owned  
7 subsidiary of T-Mobile US, Inc. (T-Mobile). My business address is 2250 Lakeside  
8 Blvd, Richardson, TX 75082006.

9  
10 **Q: Please describe your professional qualifications and experience.**

11 **A.** I previously submitted Rebuttal Testimony dated January 29, 2019 (Hearing Ex.  
12 Jt Appl. 4-C) and appeared as a witness at the hearing on February 6, 2019. My  
13 professional qualifications and experience are summarized in Joint Applicants Exhibit  
14 Jt Appl. 4-C.

15  
16 **II. PURPOSE OF SUPPLEMENTAL TESTIMONY**

17  
18 **Q: What is the purpose of your Supplemental Testimony?**

19 **A.** The purpose of my Supplemental Testimony is to respond to the eight additional  
20 questions in the Assigned Commissioner's Amended Scoping Ruling dated October 24,  
21 2019

22  
23 **Q: Does your Supplemental Testimony address network-related or spectrum-related matters**  
24 **included in those questions?**

25 **A.** No it does not. Neville Ray, the Chief Technology Officer of T-Mobile USA  
26 will address the network-related and spectrum-related issues in his Supplemental  
27 Testimony.

1 **Q: Please summarize your Supplemental Testimony.**

2 **A.** The DOJ and FCC Commitments,<sup>1</sup> which were discussed in and attached to our  
3 recently filed Amended Wireless Notification,<sup>2</sup> require minor updates and modifications  
4 to my prior testimony. In particular, the FCC and DOJ Commitments regarding the  
5 divestiture of the Sprint prepaid business (excluding Assurance Wireless) require  
6 updates to my testimony with respect to our former plans for the Boost brand as well as  
7 our customer integration plans. These updates are a necessary consequence of the fact  
8 that the Sprint prepaid business will no longer be a part of New T-Mobile as it will be  
9 divested to DISH.

10

11 **Q: Was this Supplemental Testimony prepared by you or under your direction and are**  
12 **the responses you have provided below true and correct and complete to the best of your**  
13 **knowledge?**

14 **A.** Yes, this Supplemental Testimony was prepared by me or under my direction and the  
15 responses I have provided are true and correct and complete to the best of my knowledge. I have  
16 attached a declaration to that effect to confirm the same. See Attachment A.

17

18

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<sup>1</sup> The FCC Commitments are set forth in an ex parte filed with the Federal Communications Commission (“FCC”) on May 20, 2019 in connection with that agency’s review of the Transaction (the “FCC Commitments”). The DOJ Commitments are set forth in the Proposed Final Judgment (“PFJ”) and the Stipulation & Order filed by the U.S. Department of Justice in the U.S. District Court for the District of Columbia on July 26, 2019 (the “DOJ Commitments”). The Asset Purchase Agreement among T-Mobile, Sprint Corporation and Dish Network Corporation (“DISH”) dated July 26, 2019 (the “Asset Purchase Agreement”) also sets forth various contractual terms among the parties regarding the divestiture of the Sprint prepaid assets to DISH. I understand that each of these documents has been filed in the record of this proceeding, and I am incorporating each of them by reference herein.

<sup>2</sup> See Amended Joint Application for Review of Wireless Transfer Notification per Commission Decision 95-10-032 (“Amended Wireless Notification”) (September 19, 2019) at § XVI. See also *id.* at Exhibit P (PFJ), Exhibit Q (Stipulation and Order), Exhibit R (Asset Purchase Agreement), and Confidential Exhibit S (FCC Commitments).

1 **III. AMENDED SCOPING RULING - QUESTION NO. 1, CHANGES TO REBUTTAL**  
2 **TESTIMONY**

3  
4 **Q: The first question identified in the Amended Scoping Ruling is “What changes are required to**  
5 **previously submitted written or oral witness testimony resulting from Sprint, T-Mobile or Dish**  
6 **Network entering into the DOJ and FCC Commitments?” Can you please respond?**

7 **A.** Yes. The impact of the DOJ and FCC Commitments with respect to my prior testimony  
8 is discussed below in response to Question 5 (re divestiture of prepaid businesses) and Question  
9 6 (MVNOs). Aside from those items, I have no other changes to my previously submitted  
10 testimony. In addition, I have conformed my prior testimony to correct statements that are no  
11 longer applicable in light of the DOJ and FCC Commitments. The Supplemental Testimony is  
12 intended to reflect the impact, if any, of those commitments on my prior testimony and the CETF  
13 MOU, and is not repeated in the attached redlines.<sup>3</sup>

14  
15 **Q. If there is any portion of your prior testimony that is not addressed in this Supplemental**  
16 **Testimony, is it safe to assume that there are no changes to that portion of the prior testimony?**

17 **A.** Yes. In this Supplemental Testimony, I am only addressing those limited aspects of my prior  
18 testimony which have changed as a result of the FCC and DOJ Commitments. If I do not comment on  
19 a particular aspect of my prior testimony it stands as submitted at the time of the hearing in February.  
20

21 **IV. AMENDED SCOPING RULING – QUESTION NO. 2, IMPACT OF DOJ AND FCC**  
22 **COMMITMENTS ON CETF MOU**

23  
24 **Q. The second question identified in the Amended Scoping Ruling is what changes are**  
25 **required to the terms of the CETF MOU “resulting from Sprint, T-Mobile or Dish**  
26 **Network entering into the DOJ and FCC Commitments?” Can you respond?**

27 **A.** This question is addressed by Mr. Sievert with respect to non-network related terms of  
28 the CETF MOU and by Mr. Ray as to buildout and network-related commitments in the CETF  
29 MOU. I have nothing further to add to their testimony.

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<sup>3</sup> See Attachments B (redline of Rebuttal Testimony) and C (redline of hearing transcript).

1 **V. AMENDED SCOPING RULING – QUESTION NO. 3, DISH’S CALIFORNIA**  
2 **OBLIGATIONS**

3  
4 **Q. The Amended Scoping Ruling also asks “What are Dish Network’s California service**  
5 **obligations?” Do you have any comment?**

6 **A.** I am not in a position to offer testimony on what DISH’s obligations or plans for  
7 California include. However, I would note the Messrs. Sievert and Ray discuss this  
8 question more fully in their respective Supplemental Testimony.<sup>4</sup>

9  
10 **VI. AMENDED SCOPING RULING – QUESTION NO. 4, IMPACT OF SPECTRUM**  
11 **DIVESTITURE ON NEW T-MOBILE’S 4G NETWORK AND PLANNED 5G**  
12 **NETWORK**

13  
14 **Q. The fourth question identified by the Amended Scoping Ruling asks, “How does the**  
15 **proposed transfer of spectrum to Dish Network impact the quality and extent of New T-**  
16 **Mobile’s existing 4G network and its planned 6G [sic] network?” Please explain and**  
17 **please assume that the reference to “6G” was intended as a reference to “5G”.**

18 **A.** I understand that the proposed transfer of spectrum to Dish Network has no impact on the  
19 quality or the extent of our existing network or our planned 5G network in any way at all. This is a  
20 topic that Mr. Ray discusses extensively in his Supplemental Testimony.

21  
22  

---

<sup>4</sup> See Sievert Supplemental Testimony at 10:1-13 and Ray Supplemental Testimony at 7:7-14.

1 **VII. AMENDED SCOPING RULING – QUESTION NO. 5, IMPACT OF DIVESTITURE**  
2 **ON CURRENT SPRINT PREPAID CUSTOMERS**  
3

4 **Q. The fifth question identified in the Amended Scoping Ruling asks: “How does the**  
5 **divestiture of Sprint, Boost and Virgin pre-paid businesses impact California customers**  
6 **who are currently receiving services from one or another of these providers?” How do you**  
7 **respond?**

8 **A.** This issue is addressed by Messrs. Sievert and Ray in their respective Supplemental  
9 Testimony.<sup>5</sup> I will address this question with respect to my prior testimony regarding New T-  
10 Mobile’s plans for the Sprint prepaid business and its customers.

11  
12 ➤ Handsets  
13

14 **Q: How do the DOJ and FCC Commitments regarding the divestiture of the Sprint**  
15 **prepaid business to DISH impact your testimony that as part of New T-Mobile, Boost**  
16 **customers would benefit from a “deeper and much larger (approaching ten times greater)**  
17 **handset ecosystem?”**<sup>6</sup>

18 **A.** In light of those commitments, my testimony on this topic would no longer be offered as  
19 I do not have information about the handset ecosystem for Boost customers after they are  
20 divested to DISH.  
21  
22

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<sup>5</sup> See Sievert Supplemental Testimony at 11:4-12:8 and Ray Supplemental Testimony at 18:21-21:7.

<sup>6</sup> See Hearing Ex. Jt Appl. 4-C at 10:10-12.

1           ➤ Boost Business Plan and Pricing

2  
3 **Q: How does the anticipated divestiture of the Sprint prepaid business to DISH impact your**  
4 **testimony regarding T-Mobile’s business plan to maintain the Boost and Virgin prepaid brands,**  
5 **and to reposition those brands in the market?**<sup>7</sup>

6 **A.** My Rebuttal Testimony did not reflect the divestiture of Boost Mobile and Virgin  
7 Mobile (not including Assurance Lifeline) and Sprint-branded prepaid assets to DISH  
8 per the terms of the FCC Commitments or the DOJ Commitments as these  
9 commitments did not exist at the time. In light of the anticipated divestiture of Boost  
10 Mobile, Virgin Mobile (not including Assurance Lifeline) and Sprint-branded prepaid  
11 assets, that testimony would no longer be offered as the business plan and positioning  
12 of those brands will be determined by DISH, not New T-Mobile. Mr. Sievert offers  
13 testimony on this same issue.<sup>8</sup>

14  
15           ➤ Customer Integration

16  
17 **Q: How does the divestiture of the Sprint prepaid business to DISH impact your**  
18 **testimony that Sprint prepaid customers, including Boost customers, “without compatible**  
19 **devices will be transitioned through regular handset upgrade cycles and dedicated handset**  
20 **promotions. This transition will be completed three years after the deal closes.”?**<sup>9</sup>

21 **A.** My testimony regarding customer integration for Sprint prepaid customers did not  
22 reference or account for the divestiture of the Boost Mobile, Virgin Mobile (not including  
23 Assurance Lifeline) and Sprint prepaid customer base as those commitments did not exist at the  
24 time.<sup>10</sup> I can no longer offer testimony as to the post-divestiture migration of legacy Sprint  
25 prepaid (excluding Assurance) customers to the New T-Mobile network as that is a matter for

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<sup>7</sup> See, e.g., Hearing Ex. Jt Appl. 4-C at 8:13-15, 9:18-26, and 17:18-21; see also Hearing Tr. at 592:27 – 593:1 and 593:10-27 (Keys cross).

<sup>8</sup> See Sievert Supplemental Testimony at 6:3-13.

<sup>9</sup> See Hearing Ex. Jt Appl. 4-C at 15:23-25.

<sup>10</sup> See *id.* at 15:18-26.



1 DISH. Both Mr. Sievert and Mr. Ray address the migration of Sprint prepaid customers post-  
2 divestiture, as well as New T-Mobile’s obligations to DISH (e.g., 7-yr. MVNO agreement, to  
3 “take all actions required” to enable DISH to provision any new or existing customer holding a  
4 compatible device onto the network), in their respective Supplemental Testimony.<sup>11</sup> I have  
5 nothing further to add.  
6

7 **VIII. AMENDED SCOPING RULING – QUESTION NO. 6, IMPACT OF DISH MVNO**  
8 **AGREEMENT ON NEW T-MOBILE’S 4G AND PLANNED 5G NETWORK**  
9

10 **Q. The sixth question in the Amended Scoping Ruling provides “How does the**  
11 **requirement that New T-Mobile make its network available to Dish Network for up to**  
12 **seven years impact the quality and extent of New T-Mobile’s existing 4G network and its**  
13 **planned 6G [sic] network?” Can you respond? Please assume that the reference to “6G”**  
14 **was intended as a reference to “5G”.**

15 **A.** There is no impact on the quality and extent of New T-Mobile’s existing 4G network and  
16 its planned 5G network. Mr. Ray discusses this in his Supplemental Testimony as this is a  
17 network-related topic.  
18

19 **Q: How do the DOJ Commitments requiring you to offer DISH an MVNO agreement**  
20 **for seven years and also to extend the terms of certain other MVNO agreements<sup>12</sup> affect**  
21 **your testimony and the benefits of the merger to which you testified?**

22 **A.** My prior testimony already reflected T-Mobile’s commitment to honor existing MVNO  
23 agreements,<sup>13</sup> but did not reflect the specific requirements in the DOJ Commitments vis-à-vis  
24 DISH and other MVNOs and in the FCC commitments regarding Altice. These commitments  
25 are fully consistent with that testimony and do not impact the benefits of the merger to which I

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<sup>11</sup> See Sievert Supplemental Testimony at 11:1-12:8 and Ray Supplemental Testimony at 18:17-21:7.

<sup>12</sup> See Amended Wireless Notification, Exhibit P (PJF) at §§ VI and VII.

<sup>13</sup> Hearing Ex. Jt Appl. 4-C at 13:12-14.

1 testified. Messrs. Sievert and Ray also address this issue in their respective Supplemental  
2 Testimony.<sup>14</sup>

3  
4 **IX. AMENDED SCOPING RULING – QUESTION NO. 7, OTHER IMPACTS OF THE**  
5 **DOJ OR FCC COMMITMENTS ON BENEFITS OF MERGER TO CALIFORNIA**  
6 **CUSTOMERS**

7  
8 **Q. The seventh question identified in the Amended Scoping Ruling asks “In what other**  
9 **ways, if any, could the DOJ and FCC commitments change the benefits that applicants**  
10 **have claimed California customers will receive from the proposed transaction? Do you**  
11 **have any comment?**

12 **A.** Except as noted in this Supplemental Testimony, I am not aware of any changes the DOJ  
13 or FCC Commitments will have, or could have, on the California network-related benefits, or  
14 any other benefits, that we have set forth in the course of this proceeding.

15  
16 **X. AMENDED SCOPING RULING – QUESTION NO. 8, CALIFORNIA-SPECIFIC**  
17 **VERSION OF FCC COMMITMENTS**

18  
19 **Q. The eighth and final question identified in the Amended Scoping Ruling asks “With**  
20 **reference to the Network and In-Home Commitments set forth for New T-Mobile’s**  
21 **Nationwide 5G Network Deployment at pages 1-3 of Attachment 1,<sup>15</sup> provide all of the**  
22 **same information in the same format as contained in Sections I, II and III of Attachment 1,**  
23 **specifying the commitments for deployment in California rather than nationwide.” Is that**  
24 **something you can provide?**

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<sup>14</sup> See Sievert Supplemental Testimony at 12:10-13:7 and Ray Supplemental Testimony at 21:9-22:9.

<sup>15</sup> Per the Amended Scoping Ruling, “Attachment 1” means Attachment 1 to the May 20, 2019 Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations; WT Docket No. 18-197 to Marlene H. Dortch, Secretary, Federal Communications Commission.

The May 20, 2019 filing referenced, however, was not an application but an ex parte filing that is otherwise attached as Confidential Exhibit S (FCC Commitments) to the Amended Wireless Notification.

1 A. Mr. Ray addresses this issue in his Supplemental Testimony; I have nothing to  
2 add.

3  
4 **XI. CONCLUSION**

5  
6 **Q. Does this conclude your Supplemental Testimony?**

7 A. Yes, it does.

**Attachment Index**

Attachment A	Declaration of Thomas C. Keys
Confidential Attachment B	Redlined Excerpts from Hearing Ex. Jt Appl. 4-C, Rebuttal Testimony of Thomas C. Keys
Attachment C	Redlined Excerpts from February 6, 2019 Hearing Testimony of Thomas C. Keys

Public Version  
Supplemental Testimony of Thomas C. Keys Submitted on Behalf of Joint Applicants  
November 7, 2019

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PUBLIC VERSION

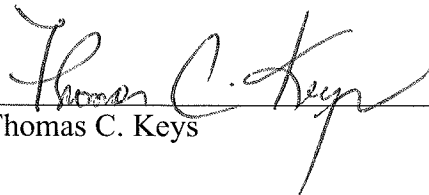
Attachment A

Declaration of Thomas C. Keys

## DECLARATION

I, Thomas C. Keys, have reviewed the responses to the questions posed in the Supplemental Testimony attached hereto as Exhibit A and declare under penalty of perjury under the laws of the State of California that the responses to the questions posed are true and correct to the best of my knowledge, information and belief, and if called to testify thereon I am prepared to do so.

Dated: November 7, 2019

  
Thomas C. Keys

Attachment B

Redlined Excerpts from Hearing Ex. Jt Appl. 4-C, Rebuttal  
Testimony of Thomas C. Keys

(PUBLIC VERSION)

Docket No.: A.18-07-011 and A.18-07-012  
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Commissioner: Clifford Rechtschaffen

**REBUTTAL TESTIMONY OF THOMAS KEYS**

**PRESIDENT<sup>1</sup>**

**METROPCS**

**ON BEHALF OF T-MOBILE USA, INC.**

**JANUARY 29, 2019**

**—CONFIDENTIAL VERSION—**

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<sup>1</sup> I am currently the Executive Vice President and Strategic Advisor for T-Mobile USA and was formerly the President of MetroPCS Communications Inc. (Metro by T-Mobile, f/k/a MetroPCS).



1 the business. If anything, the transaction will spur AT&T and Verizon to continue intensifying  
2 their efforts in prepaid offerings.

3 As I discuss below, MVNOs also provide significant competition for prepaid plans.  
4 MVNO competition will not decrease following the transaction, particularly as the substantially  
5 greater capacity of the New T-Mobile network will incentivize the combined company to  
6 continue, if not expand, mutually beneficial relationships with MVNOs. The competitive  
7 prepaid offerings made possible by the increased capacity and reduced costs of the merged  
8 company's network will drive these providers and others to offer more attractive plans to  
9 compete for customers.

10 In any event, any effort to raise prepaid plan prices relative to postpaid plans will result in  
11 the loss of so many customers that it would not prove profitable for any carrier foolish enough to  
12 try it. Metro, for example, sees a many of the customers it loses go to postpaid plans, including  
13 AT&T and Verizon postpaid products. ~~As T-Mobile has already stated publicly and affirmed in~~  
14 ~~filings before the FCC and the Commission, the merged company~~ will maintain the ~~Boost~~  
15 ~~Mobile, Virgin Mobile USA and Metro brands as separate brands~~ post-consummation.

16  
17 **B. The Merger Will Not Result in Increased Prices for Customers with Prepaid**  
18 **Plans and Their Benefits Will Increase**

19  
20 **Q: Cal PA asserts that consolidation and decreased competition will decrease incentives**  
21 **to maintain current price levels and that unilateral price increases are more likely (Odell**  
22 **Testimony at pp 12 and 18). What stops New T-Mobile from increasing prepaid prices**  
23 **post-merger?**

24 **A:** First, I have to disagree with the premise of the assertion. As I discussed above,  
25 competition for prepaid consumers will remain vibrant after the merger. Second, the statement  
26 reflects a fundamental misunderstanding of the New T-Mobile business plan. Raising prepaid  
27 plan prices is a recipe for rapidly losing prepaid customers, given the ease with which customers  
28 can switch providers today. Churn rates (rates at which customers switch carriers) among  
29 customers with prepaid plans are high, reflecting the ease with which prepaid customers can  
30 move between offerings, both prepaid and postpaid, and their willingness to seek better values.

1 If New T-Mobile were to raise the prices of its prepaid plans, other carriers would aggressively  
2 pursue New T-Mobile's customers and could easily handle the migration of those customers.  
3 AT&T and Verizon have already increased their focus on the offering of prepaid plans, and will  
4 have an even greater incentive to do so and to continue to pursue current prepaid customers to  
5 adopt their postpaid plans when they expand capacity in their networks to maintain pace with  
6 New T-Mobile. MVNOs that focus on prepaid offerings would also compete aggressively for  
7 these customers. Other competitors such as the new wireless entrants from the cable industry,  
8 could also easily start to offer prepaid plans if New T-Mobile were to raise prices. Further, as  
9 discussed more thoroughly in Mr. Sievert's testimony, New T-Mobile will be incentivized to  
10 deliver more benefits to the consumer for the same or lower cost due to having substantially  
11 more capacity that it needs to fill. It simply would not make sense for New T-Mobile to raise  
12 prices and encourage its customers to look elsewhere for their service. From an economic and  
13 business perspective, it will be in New T-Mobile's business interest to offer – and New T-Mobile  
14 intends to offer – customers on prepaid plans more access to a variety of service plans and  
15 options at attractive prices.

16

17 **Q: How is that reflected in New T-Mobile's business plan?**

18 **A:** ~~T-Mobile has already stated publicly—and affirmed in filings before the FCC and the~~  
19 ~~Commission—that~~ New T-Mobile will maintain the existing ~~Sprint and~~ T-Mobile prepaid  
20 brands, ~~including Boost, Virgin Mobile, and Metro, but will reposition these brands to serve~~  
21 ~~different customers on prepaid plans preferences. Accordingly, it is expected that New T-Mobile~~  
22 ~~will [BHC-AEO] REDACTED [EHC-AEO] the price of Boost to [BHC-AEO] REDACTED~~  
23 ~~REDACTED [EHC-AEO]. The Company expects this [BHC-AEO] REDACTED~~  
24 ~~REDACTED [EHC-AEO] New T-Mobile's total non-Metro prepaid ARPU by [BHC-~~  
25 ~~AEO] REDACTED [EHC-AEO], while increasing the quality of service for non-Metro customers on~~  
26 ~~prepaid plans.—~~ Metro's prices are expected to [BHC-AEO] REDACTED  
27 [EHC-AEO]. In other words, New T-Mobile's customers on prepaid plans will receive all the  
28 benefits of the new 5G network, such as more reliable, faster speeds with greater capacity for  
29 [BHC-AEO] REDACTED [EHC-AEO].

1 **Q: Will the benefits of the merger for customers on prepaid plans be different than**  
2 **those for customers on postpaid plans?**

3 **A:** No, they will not be different – indeed in some cases they will be better for customer on  
4 prepaid plans. Customers utilizing the New T-Mobile network – those on both postpaid and  
5 prepaid plans – will have access to greatly improved data throughput and capacity capabilities.  
6 All customers will be on the same network and thus all customers will benefit from the increase  
7 in network capacity through broader coverage, higher speeds and lower costs. In addition, I  
8 would note that Sprint customers on prepaid plans will quickly experience significant  
9 improvements in coverage on the New T-Mobile network, as those with compatible handsets will  
10 for the first time enjoy domestic data roaming that fills in coverage gaps, ~~and Boost customers~~  
11 ~~will benefit from access to a deeper and much larger (approaching ten times greater) handset~~  
12 ~~ecosystem that will provide better functionality~~

1  
2 **VI. CUSTOMER MIGRATION**  
3

4 **Q: There have been some questions raised about the challenges of T-Mobile's plans to**  
5 **integrate Sprint customers (Reed Testimony at p. 13). Can you comment?**

6 **A:** I am confident that New T-Mobile will deliver on its migration plan because I had  
7 firsthand experience working with T-Mobile's team to migrate MetroPCS customers, using  
8 basically the same migration game plan, just five years ago. MetroPCS customers were migrated  
9 to the T-Mobile network even more quickly than anticipated, merger synergies exceeded  
10 expectations, spectrum refarming was expedited, and MetroPCS customers quickly enjoyed  
11 expanded coverage and better service as evidenced, in part, by the fact that churn for the  
12 MetroPCS customer base *declined* during this period. Indeed, Metro's national customer base  
13 has doubled since the merger and the number of employees has also increased substantially. Our  
14 ability to swiftly, efficiently, and effectively execute the MetroPCS integration sets the stage and  
15 the template for similar consumer benefits to come from our merger with Sprint. The integration  
16 plan for Sprint customers is described in more detail by Mr. Sievert. As he notes, the integration  
17 plan will be the same for all customers, whether on postpaid or prepaid plans.  
18

19 **Q: What will New T-Mobile do about prepaid customers with incompatible devices**  
20 **(Reed Testimony at 13)?**

21 **A:** Sprint estimates that there are more than 37 million compatible Sprint devices capable of  
22 accessing at least one T-Mobile LTE spectrum band, including more than 7 million Boost  
23 devices. Every single market in the New T-Mobile network will see customer migration from  
24 Sprint's network within the first year of the merger. Postpaid Sprint and Assurance customers  
25 without compatible devices will be transitioned through regular handset upgrade cycles and  
26 dedicated handset promotions. This transition will be completed three years after the deal closes.  
27 Mr. Ray discusses this in more detail in his testimony.

1 improved services to rural areas, low-income areas, and communities of color. For example,  
2 average throughputs – which translate into faster speeds for users – in high or extreme poverty  
3 census tracts, majority Hispanic or Latino census tracts, majority African American census  
4 tracts, and majority Native American census tracts in California will be as high, or higher, than  
5 projected state and national averages by 2024. Many of the most-underserved communities in  
6 the state are in the Los Angeles metropolitan area and the Inland Empire area. As demonstrated  
7 in the Ray testimony, these are regions that will benefit from dramatically improved mid-band  
8 coverage following the merger and the resulting capacity and speed improvements will be felt  
9 equally by customers on prepaid plans. Due to these benefits, the transaction has received  
10 support from numerous organizations representing diverse communities.

11

12 **Q: Will New T-Mobile be closing retail stores? Won't that have a negative effect on**  
13 **customers, especially customers in low-income communities and communities of color?**

14 **A:** T-Mobile has long been committed to serving low-income communities and communities  
15 of color. As I noted previously, approximately 41 percent of current T-Mobile/Metro stores,  
16 nationally, and [BHC-AEO] REDACTED [EHC-AEO] of Metro stores in California, are in high or  
17 extreme poverty tracts. The company's commitment to serving these areas will not change after  
18 the merger. ~~As John Legere explained in response to questions from Congress, "New T-Mobile~~  
19 ~~does not plan to combine nearby MetroPCS and Boost stores." To the contrary, New T-Mobile's~~  
20 ~~business plan calls for retaining both the Metro and Boost Mobile brands because, post-merger,~~  
21 ~~each brand will be reoriented to cater to somewhat different customer segments.~~

22

23 **Q: Why are the benefits of New T-Mobile's 5G network of particular value to low-**  
24 **income or cost-conscious customers?**

25 **A:** As Tim Bresnahan will explain, the ABH analysis has found that low-income consumers  
26 and consumers from communities of color tend to be heavier data users. According to Pew  
27 Research Center, these communities also rely more extensively on their wireless devices for  
28 broadband access. The New T-Mobile network, and our commitment to serving those  
29 customers, seems particularly well suited to meet those needs in the coming years. Indeed, as

30

Attachment C

Redlined Excerpts from February 6, 2019 Hearing  
Testimony of Thomas C. Keys

1 Reform Network. Are you familiar with TURN?

2 A Yes.

~~3 Q I do just have a couple of~~  
~~4 questions. Let's see. On page 17 of your~~  
~~5 testimony.~~

~~6 A Yes.~~

~~7 Q Hold on. Lines 19 to 21. Well,~~  
~~8 actually, let me broaden it out. Lines 18 to~~  
~~9 21. You say the New T-Mobile does not plan~~  
~~10 to combine nearby MetroPCS and Boost stores.~~  
~~11 Do you see that?~~

~~12 A Yes, I do. But that's Mr. Legere.~~  
~~13 I'm just quoting him.~~

~~14 Q Okay. So then let me ask you in~~  
~~15 your knowledge, are you aware of any plans to~~  
~~16 close Boost or T-Mobile -- sorry -- Boost or~~  
~~17 MetroPCS branded stores whether it be company~~  
~~18 stores or third party stores?~~

~~19 A I can tell you that the~~  
~~20 organization, the enterprise has no plans to~~  
~~21 do either of those.~~

~~22 Q To close any of those branded~~  
~~23 stores?~~

~~24 A Yes.~~

~~25 Q Regardless of whether they're~~  
~~26 nearby each other?~~

~~27 A Absolutely. We have made a~~  
~~28 statement that we would be running both of~~

**Commented [JA1]:** Note to Parties: This portion has been stricken because related material regarding Boost stores and reorienting brands has been removed from the referenced rebuttal testimony.

1 ~~these brands as is.~~

2 ~~Q I understand that. I'm trying to~~  
3 ~~get to the distinction between the store~~  
4 ~~closing and maintaining the brands. But I am~~  
5 ~~hearing you say, and that's fine, we can move~~  
6 ~~on, that at this point the company, the New~~  
7 ~~T-Mobile plans are not to close any current~~  
8 ~~Boost-branded or Metro-branded stores?~~

9 ~~A That's correct.~~

10 ~~Q Okay. Thank you. Also on that same~~  
11 ~~section, line 21 of page 17, you do talk~~  
12 ~~about each brand being reoriented to cater to~~  
13 ~~somewhat different customer segments,~~  
14 ~~correct?~~

15 ~~A Yes.~~

16 ~~Q And each brand being MetroPCS and~~  
17 ~~Boost?~~

18 ~~A Yes.~~

19 ~~Q Okay. And then I know also on page~~  
20 ~~9 of your testimony I believe you talk about~~  
21 ~~this reorientation. Is that what you're~~  
22 ~~referencing?~~

23 ~~MS. TOLLER: Could you give me a line~~  
24 ~~number, Counsel?~~

25 ~~MS. MAILLOUX: It's line 21 to 28.~~

26 ~~THE WITNESS: Yes. We do. It's~~  
27 ~~confidential, but we talk about our plans.~~

28 ~~///~~



1 ~~BY MS. MAILLOUX:~~

2 ~~Q So that's the same reorienting~~  
3 ~~plan?~~

4 ~~A Yes.~~

5 ~~Q Okay. Can I ask then whether you~~  
6 ~~were planning on -- you don't -- can I ask~~  
7 ~~what your reorienting plans are for Virgin~~  
8 ~~Mobile and in particular Assurance Wireless?~~

9 ~~A There are no plans to reorient. We~~  
10 ~~will continue with those plans as we've~~  
11 ~~stated. All brands will continue.~~

12 ~~Q I know all brands will continue,~~  
13 ~~but your testimony here is that you are going~~  
14 ~~to reorient some of these brands. And so you~~  
15 ~~talk about the reorientation plans of Boost.~~  
16 ~~And I'm curious whether you have plans to~~  
17 ~~reorient, to your term, any business model of~~  
18 ~~Virgin and Assurance Wireless?~~

19 ~~A No, we do not.~~

20 ~~Q Okay. And then what about Metro,~~  
21 ~~are you reorienting that brand at all or is~~  
22 ~~it just the Boost brand that really you're~~  
23 ~~going to reorient?~~

24 ~~A Just the Boost brand in terms of what's~~  
25 ~~in my testimony.~~

26 ~~Q And what does reorient mean? Just what's~~  
27 ~~in this testimony, just the pricing?~~

28 ~~A It's confidential.~~

1           ~~Q Yes. I'm not --~~

2  
3           ~~A But thank you.~~

4  
5           ~~Q -- characterizing. But just what's in~~  
6           ~~the testimony is your plans?~~

7           ~~A Yes.~~

8           Q All right. Back to page 20 -- back  
9 to page 17. And now I'm on lines 3 to 6,  
10 really 3 to 5. And there you are committing  
11 that -- let me make sure it's what you're  
12 talking about today. So you're saying new --  
13 sorry. Let me just double-check. Okay. So in  
14 these lines your testimony is starting at  
15 line 2, in high --

16                   ... average throughputs --  
17                   which translates into  
18                   faster speeds for users -in  
19                   high or extreme poverty  
20                   census tracts, majority  
21                   Hispanic or Latino census  
22                   tracts, majority  
23                   African-American census  
24                   tracts, and majority Native  
25                   American census tracts in  
26                   California will be as high or  
27                   higher than projected state  
28                   and national averages by  
                    2024.

                    Do you see that?

PUBLIC UTILITIES COMMISSION, STATE OF CALIFORNIA  
SAN FRANCISCO, CALIFORNIA

1 Metro stores are about 98 percent authorized  
2 dealer owned. Did I hear that correctly?

3 A Approximately, yes.

4 Q Okay. Great. Do you know -- I  
5 assume that is nationally. Do you know what  
6 the number is or the percentage is in  
7 California?

8 A Roughly, I do, yes.

9 Q Can you provide that?

10 A Dealer-owned stores, I would tell you  
11 that it is approximately 97.8 percent in the best  
12 math in my head.

13 Q Okay. And then earlier when you  
14 stated that the New T-Mobile has no plans to  
15 close any ~~Boost-or~~ Metro stores post-merger,  
16 did that include ~~Boost-and~~ Metro-authorized  
17 dealers?

18 A Everything, yes, ma'am.

19 Q Everything?

20 A Yes.

21 Q And when you say that your plan is  
22 to not close them, has Metro committed to  
23 keeping these stores open for any period of  
24 time?

25 A Well, so, our contract with our  
26 dealers, they can cancel that contract within  
27 30 days. So, the beauty of this thing is in a  
28 contract that the dealer can cancel on us;